



OHIO AUDITOR OF STATE
KEITH FABER



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BASIC AUDIT REPORT

Clay Township
Muskingum County
P.O. Box 37
Roseville, Ohio 43777

We have completed certain procedures in accordance with Ohio Rev. Code § 117.01(G) to the accounting records and related documents of Clay Township, Muskingum County, Ohio, (the Township) for the years ended December 31, 2022 and 2021.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code § 117.11(A). Because our procedures were not designed to opine on the Township's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the Township's financial statements, transactions or balances for the years ended December 31, 2022 and 2021.

The Township's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code § 117.11(A) is to examine, analyze and inspect these records and documents.

Based on the results of our procedures, we found the following significant compliance or accounting issues to report.

Current Year Observations

1. **Ohio Rev. Code §§ 109.43(B) and 149.43(E)(1)** requires all state and local elected officials, or their designees, to attend 3 hours of training on Ohio's Public Records Laws during each term of office. The training received must be certified by the Ohio Attorney General. Proof of completion of training must include documentation either from the Attorney General's Office or from another entity certified by the Attorney General to provide the training to the elected official or his/her designee. Attendees who successfully complete the training will receive a certificate to serve as proof of training. No certificates of completion were provided to show the required training was completed.
2. **Ohio Rev. Code §117.38** provides that entities filing on a cash-basis must file annual reports with the Auditor of State within 60 days of the fiscal year-end. The Auditor of State may prescribe by rule or guidelines the forms for these reports. However, if the Auditor of State has not prescribed a reporting form, the public office shall submit its report on the form used by the public office. We noted the 2021 financial statements were filed with the Auditor of State on May 26, 2023 after the deadline of March 1, 2022 and the 2022 financial statements were filed with the Auditor of State on May 26, 2023 after the deadline of March 1, 2023.
3. **Ohio Rev. Code § 149.43(B)(2)** states that a public office shall have available a copy of its current records retention schedule at a location readily available to the public. We noted the Township did not have a records retention schedule.

Current Year Observations (Continued)

4. **Ohio Rev. Code § 149.43(E)(2)** requires all public offices take certain actions with regard to their public record policy. Public offices must distribute their Public Records Policy to the employee who is the records custodian/manager or otherwise has custody of the records of that office and have that employee acknowledge receipt of the Public Records Policy; and, if the public office has a manual or handbook of its general policies and procedures for all employees, include the public records policy in that manual or handbook. The Township did not have a designated records custodian/manager, therefore was unable to provide written evidence to acknowledge receipt of the policy.
5. **Ohio Rev. Code § 5705.10(I)** states that money paid into any fund shall be used only for the purposes for which such fund is established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another fund. The Township had a negative fund balance in the General Fund in the amount of \$29,585 at December 31, 2021.
6. **Ohio Rev. Code § 5705.41(B)** prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated. The Township was unable to provide documentation to support appropriations for the years ending December 31, 2022 and 2021, therefore expenditures exceeded appropriations for all funds in both years.
7. Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Board to make informed decisions regarding budgetary matters.

The Appropriation resolution and subsequent amendments establish the legal spending authority of the Township and the appropriation ledger provides the process by which the Township controls spending, it is therefore necessary the amounts appropriated by the Board are precisely stated and accurately posted to the appropriation ledger.

The original certificate and amendments establish the amounts available for expenditures for the Township and the receipts ledger provides the process by which the Township controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

The Township did not have procedures in place to accurately post and monitor authorized budgetary measures. The appropriations (and/or amendments thereof) approved by Board and the approved Certificate of Estimated Resources (and/or amendments thereof) were not formally tracked and monitored by the Township Trustees.



Keith Faber
Auditor of State
Columbus, Ohio

November 2, 2023

OHIO AUDITOR OF STATE KEITH FABER



CLAY TOWNSHIP

MUSKINGUM COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 11/14/2023

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This report is a matter of public record and is available online at
www.ohioauditor.gov